



Answer the following two questions:

QUESTION ONE (10 points):

A refinery has three types of crude oil C_1 , C_2 and C_3 . Crude oil C_1 costs \$0.40/L and there are at most 10,000 L/day of it available. Crude oil C_2 costs \$0.20/L and there are at most 12,000 L/day of it available. Crude oil C_3 costs \$0.10/L and there are at most 15,000 L/day of it available. The refinery can convert each type of crude oil to gasoline and can produce three types of gasoline: regular, plus, and premium. The maximum market demand for the regular, plus, and premium gasoline is 9,000 L/day, 8,000 L/day, and 7,000 L/day, respectively. The refinery can sell its gasoline to a distributor for \$0.70/L for regular, \$0.80/L for plus, and \$0.9/L for premium gasoline. It is found that (1) 1 L of C_1 crude oil yields 0.2 L of regular, 0.3 L of plus, and 0.5 L of premium gasoline, (2) 1 L of C_2 crude oil yields 0.5 L of regular, 0.3 L of plus gasoline, and 0.2 L of premium gasoline, and (3) 1 L of C_3 crude oil yields 0.7 L of regular, 0.3 L of plus, and no premium gasoline. We shall determine the number of liters of each of the crude oils C_1 , C_2 and C_3 that the refinery should purchase to maximize its daily profit. Set the objective function as a minimization problem.

Let x_1 , x_2 , and x_3 represent the number of liters for crude oils C_1 , C_2 , and C_3 , respectively, that is to be purchased. Then, the objective function f and constraints on gasoline demands and crude oil availability are

$$\begin{aligned}\text{minimize } f(x_1, x_2, x_3) &= -[0.7(0.2x_1 + 0.5x_2 + 0.7x_3) + 0.8(0.3x_1 + 0.3x_2 + 0.3x_3) \\ &\quad + 0.9(0.5x_1 + 0.2x_2) - 0.4x_1 - 0.2x_2 - 0.1x_3] \\ &= -0.43x_1 - 0.57x_2 - 0.63x_3\end{aligned}$$

$$\text{subject to: } 0.2x_1 + 0.5x_2 + 0.7x_3 \leq 9,000$$

$$0.3x_1 + 0.3x_2 + 0.3x_3 \leq 8,000$$

$$0.5x_1 + 0.2x_2 \leq 7,000$$

$$x_1 \leq 10,000$$

$$x_2 \leq 12,000$$

$$x_3 \leq 15,000$$

$$(x_1, x_2, x_3) \geq 0$$

QUESTION TWO (10 points):

Graphically solve the optimal design problem given below.

$$\text{Maximize } f(x) = 3x_1 + x_2$$

Subject to

$$2x_1 + 4x_2 \leq 21$$

$$5x_1 + 3x_2 \leq 18$$

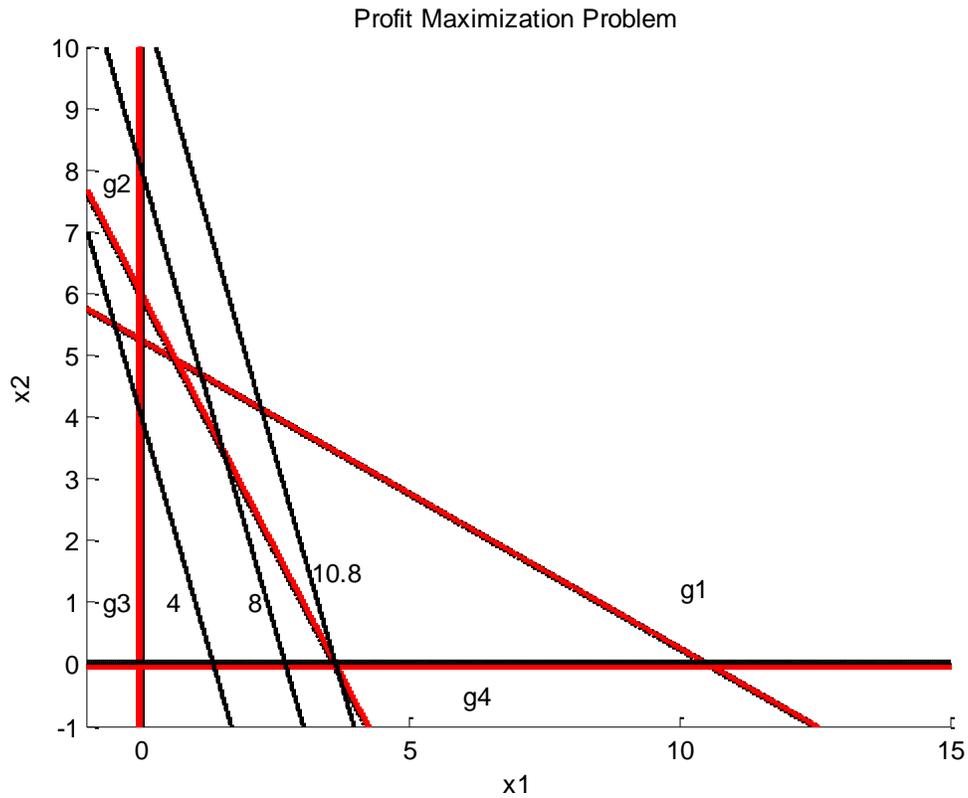
$$x_1, x_2 \geq 0$$

Show all constraints (with hatch marks to indicate the infeasible side)

Show at least two contours of $f(x)$

Find the Optimal Solution and Label it on the graph

Fill in the blanks at the bottom



Approximate optimal solution $x_1^* = \underline{\quad 3.6 \quad}$, $x_2^* = \underline{\quad 0 \quad}$.

Approximate Optimal value $f(x^*) = \underline{\quad 10.8 \quad}$.

End of Exam